

## Objective:

Long-term growth of capital

## Market Cap Bias:

Large Cap

## Management:

Investment Policy Committee

## Strategy Inception:

12/31/1983<sup>†</sup> / 12/31/1998

## Overview

- Managed to capture market upside and dampen volatility
- Risk management is strongly emphasized and central to investment process
- Investment approach designed to yield greater long-term returns with less risk versus market

## Investment Discipline

A high-quality, growth focus with emphasis on five key criteria:

- Market leadership
- Wide business moat
- Financial flexibility
- Global reach
- Consistent growth

## Sector Weightings\* % Assets



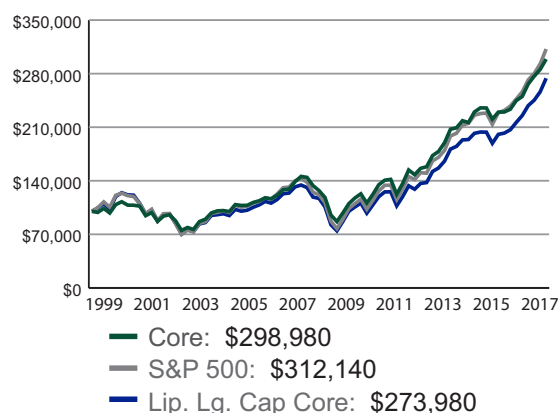
|                        |      |             |      |
|------------------------|------|-------------|------|
| Consumer Discretionary | 13.8 | Industrials | 9.7  |
| Consumer Staples       | 6.1  | Technology  | 19.0 |
| Energy                 | 6.9  | Materials   | 6.9  |
| Financials             | 19.9 | REITs       | 4.6  |
| Health Care            | 11.7 | Cash & Eq.  | 1.5  |

## Top Ten Holdings\* % Assets

|                               |     |
|-------------------------------|-----|
| Market Corp                   | 3.6 |
| Capital One Financial Corp    | 3.6 |
| Visa Inc                      | 3.4 |
| Brookfield Asset Management** | 3.3 |
| American Tower Corp           | 3.1 |
| Citigroup Inc                 | 2.9 |
| Accenture PLC**               | 2.9 |
| Johnson & Johnson             | 2.9 |
| Adobe Systems Inc             | 2.8 |
| Berkshire Hathaway Inc B      | 2.8 |

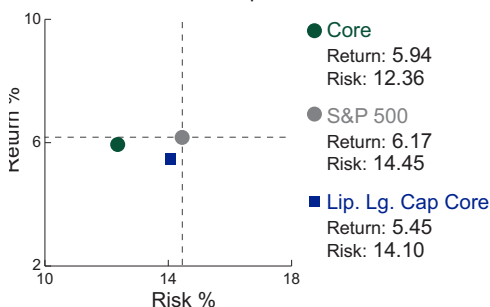
## Growth of \$100,000

Cumulative Since Inception, 12/31/98-12/31/17



## Risk & Return

Annualized, Since Inception<sup>1</sup>



## Portfolio Statistics

|  |         |
|--|---------|
| # Equity Holdings                      | 50      |
| Yield                                  | 1.3     |
| Avg Mkt Cap (Weighted Median)          | \$83.7B |
| Turnover                               | 17%     |
| Beta <sup>1, 2</sup>                   | 0.82    |
| Alpha <sup>1, 2</sup>                  | 0.77    |
| Sharpe Ratio <sup>1, 2</sup>           | 0.32    |
| R-Squared <sup>1, 2</sup>              | 91.49   |
| Upside Capture Ratio <sup>1, 2</sup>   | 85.96   |
| Downside Capture Ratio <sup>1, 2</sup> | 82.74   |

As of 12/31/2017

<sup>†</sup>Fee plus commission account structure. Fee-only account structure inception: 12/31/1998. All performance data shown for fee-only account structure. \*Subject to change without prior notice. \*\*Foreign Holding. <sup>1</sup>Source: Morningstar Direct; Data as of 12/31/17. Since inception, 12/31/1998; © 2017 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. <sup>2</sup>Data shown versus the S&P 500 through 12/31/2017.

**Risk** is measured by standard deviation. Standard deviation is the variability of returns around the average return. **Beta** is a measure of the volatility, or systematic (market-related) risk, of a portfolio as compared to the overall market. **Alpha** measures the excess return of

your portfolio above the expected return as established by comparison to a beta-adjusted benchmark. The **Sharpe Ratio** indicates the excess returns over a risk-free asset per unit of total risk (where risk is measured by standard deviation). **R-Squared** is a measure of the strength of the relationship between a portfolio and its benchmark. The **Upside Capture Ratio** measures a manager's performance in up markets relative to the market (benchmark) itself. The **Downside Capture Ratio** measures a manager's performance in down markets relative to the market (benchmark) itself.

**Performance shown is historical and is no guarantee of future results. Investing in securities carries risk including the possible loss of principal.**

The Core Portfolio is represented by the Core Equity Fee-Only Composite. Growth of \$100,000 includes reinvestment of dividends and interest. Composite performance reflects actual economic and market conditions. Significant cash flows and other unique circumstances can affect individual account

performance. Performance is net of actual investment management fees. The above illustrations are for informational purposes only and are not intended to provide specific financial planning or investment advice. Individual circumstances may vary.

The **S&P 500 Index** is comprised of 500 U.S. stocks and is an indicator of the performance of the overall U.S. stock market. The **Lipper Large Cap Core Funds Index** is an unmanaged index of the 30 largest funds in the Lipper Large Cap Core Fund category. *An investor cannot invest in an index and index returns are not indicative of the performance of any specific investment.* Please see the reverse page of this document for additional information.

Supplemental Information

# Core Equity Fee-Only Composite Returns

Performance is net of fees and includes reinvestment of dividends and interest.



| Period           | Total Return % | Benchmark Return % S&P 500 | Lipper Large Cap Core** | Equity Return %** | Number of Portfolios | Composite Assets at End of Period (USD mm) | % of Firm Assets | Total Firm Assets Under Management (USD mm) | Internal Dispersion | Composite 3-Year Std Dev† | Benchmark 3-Year Std Dev† |
|------------------|----------------|----------------------------|-------------------------|-------------------|----------------------|--|------------------|---|---------------------|---------------------------|---------------------------|
| Q4 2017          | 4.7            | 6.6                        | 6.9                     | 4.9               | 1,056                | 922.3                                      | 13%              | 7,347.5                                     | 0.8                 | 9.41                      | 9.92                      |
| Year to Date     | 19.5           | 21.8                       | 21.6                    | 20.5              |                      |  |                  |   |                     |                           |                           |
| 1 Year           | 19.5           | 21.8                       | 21.6                    | 20.5              |                      |  |                  |   |                     |                           |                           |
| 3 Years*         | 9.1            | 11.4                       | 10.7                    | 9.6               |                      |  |                  |   |                     |                           |                           |
| 5 Years*         | 13.6           | 15.8                       | 14.8                    | 14.3              |                      |  |                  |   |                     |                           |                           |
| 10 Years*        | 7.5            | 8.5                        | 7.6                     | 7.8               |                      |  |                  |   |                     |                           |                           |
| 15 Years*        | 9.3            | 9.9                        | 8.9                     | 9.7               |                      |  |                  |   |                     |                           |                           |
| Since Inception* | 5.9            | 6.2                        | 5.4                     | 6.1               |                      |  |                  |   |                     |                           |                           |
| 2017             | 19.5           | 21.8                       | 21.6                    | 20.5              | 1,056                | 922.3                                      | 13%              | 7,347.5                                     | 0.8                 | 9.41                      | 9.92                      |
| 2016             | 8.9            | 12.0                       | 12.3                    | 9.3               | 1,042                | 811.8                                      | 13%              | 6,177.6                                     | 0.7                 | 10.36                     | 10.59                     |
| 2015             | -0.1           | 1.4                        | -0.7                    | -0.1              | 1,000                | 754.6                                      | 14%              | 5,524.2                                     | 0.8                 | 10.26                     | 10.47                     |
| 2014             | 10.9           | 13.7                       | 11.3                    | 11.5              | 911                  | 754.8                                      | 14%              | 5,390.8                                     | 1.0                 | 9.15                      | 5.60                      |
| 2013             | 31.0           | 32.4                       | 31.8                    | 32.8              | 810                  | 661.7                                      | 14%              | 4,724.9                                     | 1.6                 | 11.53                     | 11.94                     |
| 2012             | 16.0           | 16.0                       | 15.3                    | 17.0              | 667                  | 451.5                                      | 12%              | 3,643.7                                     | 1.4                 | 14.13                     | 15.09                     |
| 2011             | 1.3            | 2.1                        | 0.1                     | 1.4               | 596                  | 365.9                                      | 12%              | 3,108.4                                     | 1.1                 | 16.17                     | 18.71                     |
| 2010             | 14.8           | 15.1                       | 12.8                    | 15.7              | 585                  | 363.0                                      | 12%              | 3,042.6                                     | 1.3                 |                           |                           |
| 2009             | 23.4           | 26.5                       | 28.2                    | 25.7              | 611                  | 330.4                                      | 12%              | 2,717.0                                     | 3.6                 |                           |                           |
| 2008             | -34.1          | -37.0                      | -37.1                   | -36.8             | 661                  | 295.7                                      | 13%              | 2,305.0                                     | 1.8                 |                           |                           |
| 2007             | 12.7           | 5.5                        | 6.6                     | 13.4              | 654                  | 454.4                                      | 14%              | 3,259.4                                     | 1.8                 |                           |                           |
| 2006             | 12.6           | 15.8                       | 13.4                    | 13.2              | 625                  | 394.5                                      | 14%              | 2,811.8                                     | 1.7                 |                           |                           |
| 2005             | 4.6            | 4.9                        | 5.7                     | 4.8               | 553                  | 319.9                                      | 14%              | 2,354.9                                     | 1.2                 |                           |                           |
| 2004             | 11.1           | 10.9                       | 8.3                     | 11.9              | 503                  | 283.3                                      | 13%              | 2,109.0                                     | 1.7                 |                           |                           |
| 2003             | 24.2           | 28.7                       | 24.8                    | 26.4              | 470                  | 227.5                                      | 13%              | 1,749.3                                     | 2.0                 |                           |                           |
| 2002             | -16.0          | -22.1                      | -21.3                   | -17.6             | 349                  | 140.3                                      | 11%              | 1,309.6                                     | 2.8                 |                           |                           |
| 2001             | -12.1          | -11.9                      | -12.9                   | -13.6             | 214                  | 109.9                                      | 8%               | 1,383.6                                     | 2.9                 |                           |                           |
| 2000             | -1.8           | -9.1                       | -7.4                    | -2.4              | 133                  | 66.8                                       | 5%               | 1,442.3                                     | 5.1                 |                           |                           |
| 1999             | 8.9            | 21.0                       | 19.4                    | 10.3              | 78                   | 38.8                                       | 3%               | 1,432.9                                     | 5.1                 |                           |                           |

As of 12/31/2017

\*Returns greater than one year are annualized. Since Inception Date: 12/31/98 \*\*Supplemental Information †Prior to 2011, the composite and benchmark three-year standard deviation were not required.

**Assets Under Advisement: \$127.6 (USD mm) of which \$42.9 (USD mm) is invested in the Core Strategy and managed in a unified managed account environment.**

**Performance shown is historical and is no guarantee of future results.** Performance results are presented net of actual investment management fees. Investing in securities carries risk including the possible loss of principal. Composite performance reflects actual economic and market conditions. Significant cash flows and other unique circumstances can affect individual account performance.

**Definition of Firm:** Davenport Asset Management ("DAM") is a separate and distinct business entity of Davenport & Company LLC. DAM manages various investment strategies where DAM is responsible for security selection.

**Strategy Description:** The Core Strategy blends primarily large capitalization growth and value-oriented equity investments, and has the option of adding high-quality bonds and/or fixed income ETFs. Its goal is to outperform the S&P 500 while taking less risk.

Davenport Asset Management claims compliance with the Global Investment Performance

Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Davenport Asset Management has been independently verified for the periods January 1, 1984 through June 30, 2017. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The verification report is available upon request.

Performance results are presented net of actual investment management fees. The Core Equity Fee-Only Composite was created on September 30, 2017 and includes the following requirements where applicable among others: use of aggregate return method; use of total return to calculate performance; accrual accounting; use of trade-date reporting; use of time-weighted rates of return, monthly valuation and geometric linking of period returns; inclusion of cash and cash equivalents in returns; inclusion of all fee-paying, discretionary accounts in at least one composite; no linkage with simulated portfolios; the inclusion of new portfolios at the beginning of the first full quarter; exclusion of terminated portfolios after the last full quarter they were in place, but their inclusion for all quarters prior to terminating.

Portfolios below \$100,000 and accounts with margin balances have been excluded from the Core Equity Fee-Only Composite. Performance results are presented in U.S. dollars. A complete

list and description of DAM's composites and additional information regarding the firm's procedures for calculating and reporting returns are available upon request.

**Index Definitions: The S&P 500 Index** is comprised of 500 U.S. stocks and is an indicator of the performance of the overall U.S. stock market. The **Lipper Large Cap Core Funds Index** is an unmanaged index of the 30 largest funds in the Lipper Large Cap Core Fund category. An investor cannot invest in an index, and its returns are not indicative of the performance of any specific investment.

Internal Dispersion is a measure of the spread of the annual returns of individual portfolios within a composite; standard deviation is utilized. The 3-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

#### Annual Fees:

- 1.50% on the first \$1,000,000
  - 1.25% on the next \$4,000,000
  - 1.00% on amounts over \$5,000,000
- Minimum Fee: \$625 Quarterly

The wrap fee reflects a fee for investment advisory services, custody of assets, and execution services and is generally a percentage of assets under management.

The Global Investment Performance Standards ("GIPS") are a trademark of CFA Institute. CFA Institute has not been involved in the preparation or review of this report.